that employees of contract mail carriers are not within the 13(b)(1) exemption for overtime work performed after June 14, 1972, pending authoritative court decisions to the contrary. This position is adopted without prejudice to the rights of individual employees under section 16(b) of the Fair Labor Standards Act.

(c) Section 202(c)(2) of the Motor Carrier Act, as amended on May 16, 1942, makes section 204 of that act ''relative to qualifications and maximum hours of service of employees and safety of operations and equipment,'' applicable ''to transportation by motor vehicle by any person (whether as agent or under a contractual arrangement) for a * * * railroad * * * express company * * * motor carrier * * * water carrier * * * or a freight forwarder * * * in the performance within terminal areas of transfer, collection, or delivery service.'' Thus, drivers, drivers' helpers, loaders, and mechanics of a motor carrier performing pickup and delivery service for a railroad, express company, or water carrier are to be regarded as within the 13(b)(1) exemption. (See *Levinson* v. *Spector Motor Service*, 330 U.S. 649 (footnote 10); cf. *Cedarblade* v. *Parmelee Transp. Co.* (C.A. 7), 166 F. (2d) 554, 14 Labor Cases, par. 64,340.) The same is true of drivers, drivers' helpers, loaders, and mechanics employed directly by a railroad, a water carrier or a freight forwarder in pickup and delivery service. Section 202(c)(1) of the Motor Carrier Act, as amended on May 16, 1942, includes employees employed by railroads, water carriers, and freight forwarders, in transfer, collection, and delivery service in terminal areas by motor vehicles within the Interstate Commerce Commission's regulatory power under section 204 of the same act. See *Morris* v. *McComb*, 332 U.S. 422 and §782.2(a). (Such employees of a carrier subject to part I of the Interstate Commerce Act may come within the exemption from the overtime requirements provided by section 13(b)(2). Cf. *Cedarblade* v. *Parmelee Transp. Co.* (C.A. 7), 166 F. (2d) 554, 14 Labor Cases, par. 64,340. Thus, only employees of a railroad, water carrier, or freight forwarder outside of the scope of part I of the Interstate Commerce Act and of the 13(b)(2) exemption are affected by the above on and after the date of the amendment.) Both before and after the amendments referred to, it has been the Division's position that the 13(b)(1) exemption is applicable to drivers, drivers' helpers, loaders, and mechanics employed in pickup and delivery service to line-haul motor carrier depots or under contract with forwarding companies, since the Interstate Commerce Commission had determined that its regulatory power under section 204 of the Motor Carrier Act extended to such employees.

(d) The determinations of the Interstate Commerce Commission discussed in paragraphs (a), (b), and (c) of this section have not been amended or revoked by the Secretary of Transportation. These determinations will continue to guide the Administrator of the Wage and Hour Division in his enforcement of section 13(b)(1) of the Fair Labor Standards Act.

[36 FR 21778, Nov. 13, 1971, as amended at 37 FR 23638, Nov. 7, 1972]

PART 783—APPLICATION OF THE FAIR LABOR STANDARDS ACT TO EMPLOYEES EMPLOYED AS SEAMEN

INTRODUCTORY

SOME BASIC DEFINITIONS

AUTHORITY: Secs. 1–19, 52 Stat. 1060, as amended; 29 U.S.C. 201–219.

SOURCE: 27 FR 8309, Aug. 21, 1962, unless otherwise noted.

INTRODUCTORY

§ 783.0 Purpose of this part.

This part 783 is the official interpretation of the Department of Labor with respect to the meaning and application of sections 6(b)(2), 13(a)(14), and 13(b)(6) of the Fair Labor Standards Act, as amended, which govern the application of the minimum wage and overtime pay requirements of the Act to employees employed as seamen. Prior to the Fair Labor Standards Amendments of 1961, which became effective on September 3, 1961, all employees employed as seamen were exempt from both the minimum wage and overtime pay provisions of the Act. The 1961 amendments have narrowed this exemption so as to extend the minimum wage provisions of the Act to employees employed as seamen on American vessels. Employees employed as seamen on vessels other than American vessels continue to be exempt from both the minimum wage and the overtime pay requirements of the Act. It is the purpose of this part to make available in one place the interpretations of the law relating to employees employed as seamen which will guide the Secretary of Labor and the Administrator in the performance of their duties under the Act.

§ 783.1 General scope of the Act.

The Fair Labor Standards Act, as amended, is a Federal statute of general application which establishes minimum wage, overtime pay, and child labor requirements that apply as provided in the Act. All employees, whose employment has the relationship to interstate or foreign commerce which the Act specifies, are subject to the prescribed labor standards unless specifically exempt from them. Employers having such employees are required to comply with the Act's provisions in

this regard unless relieved therefrom by some exemption in the Act. Such employers are also required to comply with specified recordkeeping requirements contained in part 516 of this chapter. The law authorizes the Department of Labor to investigate for compliance and, in the event of violations, to supervise the payment of unpaid wages or unpaid overtime compensation owing to any employee. The law also provides for enforcement in the courts.

§ 783.2 Matters discussed in this part.

This part 783 discusses the meaning and application of the exemptions provided in sections 13(a)(14) and 13(b)(6) of the Act. The provisions of section 6(b)(2) of the Act, which relate to the calculation of minimum wages and the hours worked by seamen on American vessels, are also discussed in this part. Other provisions of the Act are discussed only to make clear their relevance to these provisions and are not considered in detail in this part. Interpretations and regulations also published elsewhere in this title deal in some detail with such subjects as the general coverage of the Act (part 776 of this chapter), methods of payment of wages (part 531 of this chapter), hours worked (part 785 of this chapter), recordkeeping requirements (part 516 of this chapter), and qualifications for exempt executive, administrative, and professional employees (part 541 of this chapter). Reference should also be made to subpart G of part 570 of this chapter which contains the official interpretations of the child labor provisions of the Act. Copies of any of these documents may be obtained from any office of the Wage and Hour Division.

§ 783.3 Significance of official interpretations.

This part contains the official interpretations of the Department of Labor pertaining to the provisions of section 6(b)(2) and the exemptions provided in sections 13(a)(14) and 13(b)(6) of the Act. It is intended that the positions stated concerning the Act will serve as ''a practical guide to employers and employees as to how the office representing the public interest in its enforcement will seek to apply it'' (*Skidmore* v. *Swift*, 323 U.S. 134). The Secretary of Labor and the Administrator will follow these interpretations in the performance of their duties under the Act, unless and until they are otherwise directed by authoritative decisions of the courts or conclude upon re-examination of an interpretation that it is incorrect. The interpretations contained herein may be relied upon in accordance with section 10 of the Portal-to-Portal Act (29 U.S.C. 251–262), so long as they remain effective and are not modified, amended, rescinded, or determined by judicial authority to be incorrect.

§ 783.4 Basic support for interpretations.

The ultimate decisions on interpretations of the Act are made by the courts (*Mitchell* v. *Zachry*, 362 U.S. 310; *Kirschbaum* v. *Walling*, 316 U.S. 517). Court decisions supporting interpretations contained in this part are cited where it is believed they may be helpful. On matters which have not been determined by the courts, it is necessary for the Secretary of Labor and the Administrator to reach conclusions as to the meaning and the application of provisions of the law in order to carry out their responsibilities of administration and enforcement (*Skidmore* v. *Swift*, 323 U.S. 134). In order that these positions may be made known to persons who may be affected by them, official interpretations are issued by the Administrator on the advice of the Solicitor of Labor, as authorized by the Secretary (reorg. Pl. 6 of 1950, 64 Stat. 1263; Gen. Ord. 45A, May 24, 1950, 15 FR 3290). As included in this part, these interpretations are believed to express the intent of the law as reflected in its provisions and as construed by the courts and evidenced by its legislative history. References to pertinent legislative history are made in this part where it appears that they will contribute to a better understanding of the interpretations.

§ 783.5 Interpretations made, continued, and superseded by this part.

On and after publication of this part 783 in the FEDERAL REGISTER, the interpretations contained therein shall be in effect and shall remain in effect until

they are modified, rescinded or withdrawn. This part supersedes and replaces the interpretations previously published in the FEDERAL REGISTER and Code of Federal Regulations as part 783 of this chapter. Prior opinions, rulings, and interpretations and prior enforcement policies which are not inconsistent with the interpretations in this part or with the Fair Labor Standards Act as amended by the Fair Labor Standards Amendments of 1961 are continued in effect; all other opinions, rulings, interpretations, and enforcement policies on the subjects discussed in the interpretations in this part are rescinded and withdrawn. The interpretations in this part provide statements of general principles applicable to the subjects discussed and illustrations of the application of these principles to situations that frequently arise. They do not and cannot refer specifically to every problem which may be met by employers and employees in the application of the Act. The omission to discuss a particular problem in this part or in interpretations supplementing it should not be taken to indicate the adoption of any position by the Secretary of Labor or the Administrator with respect to such problem or to constitute an administrative interpretations or practice or enforcement policy. Questions on matters not fully covered by this part may be addressed to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210, or to any Regional Office of the Division.

SOME BASIC DEFINITIONS

§ 783.6 Definitions of terms used in the Act.

The meaning and application of the provisions of law discussed in this part depend in large degree on the definitions of terms used in these provisions. The Act itself defines some of these terms. Others have been defined and construed in decisions of the courts. In the following sections some of these basic definitions are set forth for ready reference in connection with the part's discussion of the various provisions in which they appear. These definitions and their application are further considered in other statements of interpretations to which reference is made, and in the sections of this part where the particular provisions containing the defined terms are discussed.

§ 783.7 "Employer", "employee", and "employ".

The Act's major provisions impose certain requirements and prohibitions on every ''employer'' subject to their terms. The employment by an ''employer'' of an ''employee'' is, to the extent specified in the Act, made subject to minimum wage and overtime pay requirements and to prohibitions against the employment of oppressive child labor. The Act provides its own definitions of ''employer'', ''employee'', and ''employ'', under which ''economic reality'' rather than ''technical concepts'' determines whether there is employment subject to its terms (*Goldberg* v. *Whitaker House Cooperative*, 366 U.S. 28; *United States* v. *Silk*, 331 U.S. 704; *Rutherford Food Corp.* v. *McComb*, 331 U.S. 772). An ''employer'', as defined in section 3(d) of the Act, ''includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision of a State, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization''. An ''employee'', as defined in section 3(e) of the Act, ''includes any individual employed by an employer'', and ''employ'', as used in the Act, is defined in section 3(g) to include ''to suffer or permit to work''. It should be noted, as explained in part 791 of this chapter, dealing with joint employment, that in appropriate circumstances two or more employers may be jointly responsible for compliance with the statutory requirements applicable to employment of a particular employee. It should also be noted that ''employer'', ''enterprise'', and ''establishment'' are not synonymous terms, as used in the Act. An employer may have an enterprise with more than one establishment, or he may have more than one enterprise, in which he employs employees within the meaning of the Act. Also, there

may be different employers who employ employees in a particular establishment or enterprise.

§ 783.8 "Person".

As used in the Act (including definition of ''enterprise'' set forth below in § 783.9), ''person'' is defined as meaning ''an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons'' (Act, section 3(a)).

§ 783.9 "Enterprise".

The term ''enterprise'' which may, in some situations, be pertinent in determining coverage of this Act of employees employed by employers on vessels, is defined in section 3(r) of the Act. Section 3(r) states:

> Enterprise means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units including departments of an establishment operated through leasing arrangements, but shall not include the related activities performed for such enterprise by an independent contractor * * *.

The scope and application of this definition is discussed in part 776 of this chapter and in §§ 779.200 through 779.235 of this chapter.

§ 783.10 "Establishment".

As used in the Act (including the provision quoted below in § 783.11), the term ''establishment'', which is not specifically defined therein, refers to a ''distinct physical place of business'' rather than to ''an entire business or enterprise'' which may include several separate places of business. This is consistent with the meaning of the term as it is normally used in business and in government, is judicially settled, and has been recognized in the Congress in the course of enactment of amendatory legislation (*Phillips* v. *Walling* 334 U.S. 490; *Mitchell* v. *Bekins Van & Storage Co.*, 352 U.S. 1027; 95 Cong. Rec. 12505, 12579, 14877; H. Rept. No. 1453, 81st Cong., 1st sess. p. 35). This is the meaning of the term as used in sections 3(r), 3(s), and 6(b) of the Act. An establishment may have employees employed away from the establishment as well as within it (H. Rept. No. 1453, supra).

§ 783.11 "Enterprise engaged in commerce or in the production of goods for commerce".

Portions of the definition of ''enterprise engaged in commerce or in the production of goods for commerce'' (Act section 3(s)) which may in some situations determine the application of provisions of the Act to employees employed by employers on vessels are as follows:

> (s) ''Enterprise engaged in commerce or in the production of goods for commerce'' means any of the following in the activities of which employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person:
>
> * * * * *
>
> (3) any establishment of any such enterprise * * * which has employees engaged in commerce or in the production of goods for commerce if the annual gross volume of sales of such enterprise is not less than $1,000,000.
>
> * * * * *

The application of this definition is considered in part 776 of this chapter.

§ 783.12 "Commerce".

''Commerce'' as used in the Act includes interstate and foreign commerce. It is defined in section 3(b) of the Act to mean ''trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.'' (For the definition of ''State'', see § 783.15.) The application of this definition and the kinds of activities which it includes are discussed at length in part 776 of this chapter dealing with the general coverage of the Act.

§ 783.13 "Production".

To understand the meaning of ''production'' of goods for commerce as used in the Act it is necessary to refer to the definition in section 3(j) of the term ''produced''. A detailed discussion of the application of the terms as defined is contained in part 776 of this

chapter, dealing with the general coverage of the Act. Section 3(j) provides that ''produced'' as used in the Act ''means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this Act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.'' (For the definition of ''State'' see § 783.15.)

§ 783.14 "Goods".

The definition in section 3(i) of the Act states that ''goods'', as used in the Act means ''goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.'' Part 776 of this chapter, dealing with the general coverage of the Act, contains a detailed discussion of the application of this definition and what is included in it.

§ 783.15 "State".

As used in the Act, ''State'' means ''any State of the United States or the District of Columbia or any Territory or possession of the United States'' (Act, section 3(c)). The application of this definition in determining questions of coverage under the Acts' definition of ''commerce'' and ''produced'' (see §§ 783.12, 783.13) is discussed in part 776 of this chapter, dealing with general coverage.

§ 783.16 "Wage".

''Wage'' paid to an employee is defined in section 3(m) of the Act to include ''the reasonable cost, as determined by the Secretary of Labor, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees: *Provided*, That the cost of board, lodging, or other facilities shall not be included as a part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective bargaining agreement applicable to the particular employee: *Provided further*, That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measure of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee''. Although there is some incidental discussion in this part of this definition and its impact, a fuller discussion of its meaning and the regulations pertaining thereto are set forth in part 531 of this chapter.

§ 783.17 "American vessel".

Section 3(p) of the Act, added by the 1961 Amendments, defines ''American vessel'' to include ''any vessel which is documented or numbered under the laws of the United States.'' This definition and its effect with respect to the application of the Act to employment of individuals as seamen are discussed in subsequent sections of this part.

Application in General of the Act's Provisions

§ 783.18 Commerce activities of employees.

Prior to the 1961 Amendments, the Fair Labor Standards Act applied to all employees, not specifically exempted, who are engaged (a) in interstate or foreign commerce or (b) in the production of goods for such commerce, which is defined to include any closely related process or occupation directly, essential to such production (29 U.S.C. 206(a), 207(a); and see §§ 783.12 to 783.15 for definitions governing the scope of this coverage). The Act as amended in 1961 continues this coverage. In general, employees of businesses concerned with the transportation of

goods or persons on navigable waters are engaged in interstate or foreign commerce, or in the production of goods for such commerce, as defined in the Act, and are subject to the Act's provisions except as otherwise provided in sections 13(a)(14) and 13(b)(6) or other express exemptions. A detailed discussion of the activities in commerce or in the production of goods for commerce which will bring an employee under the Act is contained in part 776 of this chapter, dealing with general coverage.

§ 783.19 Commerce activities of enterprises in which employee is employed.

Under amendments to the Fair Labor Standards Act effective September 3, 1961, employees not covered by reason of their personal engagement in interstate commerce activites, as explained in §783.18, are nevertheless brought within the coverage of the Act if they are employed in an enterprise which is defined in section 3(s) of the Act as an enterprise engaged in commerce or in the production of goods for commerce, or by an establishment described in section 3(s)(3) of the Act (see §783.11). Such employees, if not exempt from the minimum wage and overtime pay requirements under section 13(a)(14) or exempt from the overtime pay requirements under section 13(b)(6), will have to be paid in accordance with those monetary standards of the Act unless expressly exempt under some other provision. This would generally be true of employees employed in enterprises and by establishments engaged in a business concerned with transportation of goods or persons by vessels, where the enterprise has an annual gross sales volume of $1,000,000 or more. Enterprise coverage is more fully discussed in part 776 of this chapter, dealing with general coverage.

§ 783.20 Exemptions from the Act's provisions.

The Act provides a number of specific exemptions from the general requirements previously described. Some are exemptions from the overtime provisions only. Others are from the child labor provisions only. Several are exemptions from both the minimum wage and the overtime requirements of the Act. Finally, there are some exemptions from all three—minimum wage, overtime pay, and child labor requirements. An examination of the terminology in which the exemptions from the general coverage of the Fair Labor Standards Act are stated discloses language patterns which reflect congressional intent. Thus, Congress specified in varying degree the criteria for application of each of the exemptions and in a number of instances differentiated as to whether employees are to be exempt because they are employed by a particular kind of employer, employed in a particular type of establishment, employed in a particular industry, employed in a particular capacity or occupation, or engaged in a specified operation. (See 29 U.S.C. 203(d); 207 (b), (c), (h); 213 (a), (b), (c), (d). And see *Addison* v. *Holly Hill*, 322 U.S. 607; *Walling* v. *Haden*, 153 F. 2d 196, certiorari denied 328 U.S. 866; *Mitchell* v. *Stinson*, 217 F. 2d 210.) In general, there are no exemptions from the child labor requirements that apply in enterprises or establishments engaged in transportation or shipping (see part 570, subpart G of this chapter). Such enterprises or establishments will, however, be concerned with the exemption from overtime pay in section 13(b)(6) of the Act for employees employed as seamen and the exemption from the mimimum wage and overtime pay requirements provided by section 13(a)(14) for employees so employed on vessels other than American vessels. These exemptions, which are subject to the general rules stated in §783.21, are discussed at length in this part.

§ 783.21 Guiding principles for applying coverage and exemption provisions.

It is clear that Congress intended the Fair Labor Standards Act to be broad in its scope (*Helena Glendale Ferry Co.* v. *Walling*, 132 F. 2d 616). ''Breadth of coverage is vital to its mission'' (*Powell* v. *U.S. Cartridge Co.*, 339 U.S. 497). An employer who claims an exemption under the Act has the burden of showing that it applies (*Walling* v. *General Industries Co.*, 330 U.S. 545; *Mitchell* v. *Kentucky Finance Co.*, 359 U.S. 290; *Tobin* v. *Blue Channel Corp.* 198 F. 2d

245, approved in *Mitchell* v. *Myrtle Grove Packing Co.*, 350 U.S. 891; *Fleming* v. *Hawkeye Pearl Button Co.*, 113 F. 2d 52). Conditions specified in the language of the Act are ''explicit prerequisites to exemption'' (*Arnold* v. *Kanowsky*, 361 U.S. 388; and see *Walling* v. *Haden*, 153 F. 2d 196). In their application, the purpose of the exemption as shown in its legislative history as well as its language should be given effect. However, ''the details with which the exemptions in this Act have been made preclude their enlargement by implication'' and ''no matter how broad the exemption, it is meant to apply only to'' the specified activities (*Addison* v. *Holly Hill*, 322 U.S. 607; *Maneja* v. *Waialua*, 349 U.S. 254). Exemptions provided in the Act ''are to be narrowly construed against the employer seeking to assert them'' and their application limited to those who come ''plainly and unmistakably within their terms and spirits.'' This construction of the exemptions is necessary to carry out the broad objectives for which the Act was passed (*Phillips* v. *Walling*, 324 U.S. 490; *Mitchell* v. *Kentucky Finance Co.*, supra; *Arnold* v. *Kanowsky*, supra; *Helena Glendale Ferry Co.* v. *Walling*, supra; *Mitchell* v. *Stinson*, 217 F. 2d 210; *Flemming* v. *Hawkeye Pearl Button Co.*, 113 F. 2d 52; *Walling* v. *Bay State Dredging & Contracting Co.*, 149 F. 2d 346, certiorari denied 326 U.S. 760; *Anderson* v. *Manhattan Lighterage Corp.*, 148 F. 2d 971, certiorari denied 326 U.S. 722; *Sternberg Dredging Co.* v. *Walling*, 158 F. 2d 678).

§ 783.22 Pay standards for employees subject to "old" coverage of the Act.

The 1961 amendments did not change the tests described in § 783.18 by which coverage based on the employee's individual activities is determined. Any employee whose employment satisfies these tests and would not have come within some exemption (such as section 13(a)(14)) in the Act prior to the 1961 amendments is subject to the ''old'' provisions of the law and entitled to a minimum wage of at least $1.15 an hour beginning September 3, 1961, and not less than $1.25 an hour beginning September 3, 1963 (29 U.S.C. 206(a)(1)), unless expressly exempted by some provision of the amended Act. Such an employee is also entitled to overtime pay for hours worked in excess of 40 in any workweek at a rate not less than one and one-half times his regular rate of pay (29 U.S.C. 207(a)(1)), unless expressly exempt from overtime by some exemption such as section 13(b)(6). (Minimum wage rates in Puerto Rico, the Virgin Islands, and American Samoa are governed by special provisions of the Act (26 U.S.C. 206(a)(3); 206(c)(2).) Information on these rates is available at any office of the Wage and Hour Division.

§ 783.23 Pay standards for "newly covered" employees.

There are some employees whose individual activities would not bring them within the minimum wage or overtime pay provisions of the Act as it was prior to the 1961 amendments, but who are brought within minimum wage or overtime coverage or both for the first time by the new ''enterprise'' coverage provisions or changes in exemptions, or both, which were enacted as part of the amendments and made effective September 3, 1961. Typical of such employees are those who, regardless of any engagement in commerce or in the production of goods for commerce, are employed as seamen and would therefore have been exempt from minimum wage as well as overtime pay requirements by virtue of section 13(a)(14) of the Act until the 1961 amendments if so employed during that period, but who by virtue of these amendments are exempt only from the overtime pay requirements on and after September 3, 1961, under section 13(b)(6) of the amended Act. These ''newly covered'' employees for whom no specific exemption has been retained or provided in the amendments must be paid not less than the minimum wages shown in the schedule below for hours worked, computed, in the case of employees employed as seamen, in accordance with the special provisions of section 6(b)(2) which are discussed in subsequent sections of this part. Any ''newly covered'' employees who are not exempted by section 13(b)(6) because of their employment as seamen must be paid, unless exempted by some other provision, not less than one and one-half times their regular

rates of pay for overtime, as shown in the schedule below.

Beginning	Minimum wage (29 U.S.C. 206(b))	Overtime pay (29 U.S.C. 207(a)(2))
Sept. 3, 1961 ..	$1 an hour	None required.
Sept. 3, 1963 ..	No change	After 44 hours in a workweek
Sept. 3, 1964 ..	$1.15 an hour	After 42 hours in a workweek.
Sept. 3, 1965 [1] and thereafter.	$1.25 an hour	After 40 hours in a workweek.

[1] Requirements identical to those for employees under ''old'' coverage. (Minimum wage rates for newly covered employees, in Puerto Rico, the Virgin Islands, and American Samoa are set by wage order on recommendations of special industry committees (29 U.S.C. 206(a)(3); 206(c)(2). Information on these rates may be obtained at any office of the Wage and Hour and Public Contracts Divisions.)

THE STATUTORY PROVISIONS REGARDING SEAMEN

§ 783.24 The section 13(a)(14) exemption.

Section 13(a)(14) of the Fair Labor Standards Act exempts from the minimum wage and overtime pay requirements of the Act, but not from its child labor provisions, ''any employee employed as a seaman on a vessel other than an American vessel''.

§ 783.25 The section 13(b)(6) exemption.

Section 13(b)(6) of the Act exempts from the overtime pay requirements of the Act, but not from its other requirements, ''any employee employed as a seaman''.

§ 783.26 The section 6(b)(2) minimum wage requirement.

Section 6(b), with paragraph (2) thereof, requires the employer to pay to an employee, ''if such employee is employed as a seaman on an American vessel, not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (including periods aboard ship when the employee was on watch or was, at the direction of a superior officer, performing work or standing by, but not including off-duty periods which are provided pursuant to the employment agreement).'' The ''hourly rate prescribed by'' paragraph (1) of the subsection is the minimum wage rate applicable according to the schedule shown in § 783.23.

§ 783.27 Scope of the provisions regarding "seamen".

In accordance with the above provisions of the Act as amended, an employee employed as a seaman is exempt only from its overtime pay provisions under the new section 13(b)(6), unless the vessel on which he is employed is not an American vessel. Section 13(a)(14) as amended continues the prior exemption, from minimum wages as well as overtime pay, for any employees employed as a seaman on a vessel other than an American vessel. Thus, to come within this latter exemption an employee now must be ''employed as'' a ''seaman'' on a vessel other than an ''American vessel'', while to come within the overtime exemption provided by section 13(b)(6) an employee need only be ''employed as'' a ''seaman''. The minimum wage requirements of the Act, as provided in section 6(b) and paragraph (2) of that subsection apply if the employee is ''employed as'' a ''seaman'' on an ''American vessel''. The meaning and scope of these key words, ''employed as a seaman'' and ''American vessel'' are discussed in subsequent sections of this part. Of course, if an employee is not ''employed as'' a ''seaman'' within the meaning of this term as used in the Act, these exemptions and section 6(b)(2) would have no relevancy and his status under the Act would depend, as in the case of any other employee, upon the other facts of his employment, (§§ 783.18 through 783.20).

LEGISLATIVE HISTORY AND JUDICIAL CONSTRUCTION OF THE EXEMPTIONS

§ 783.28 General legislative history.

As originally enacted in 1938, section 13(a)(3) of the Fair Labor Standards Act exempted from both the minimum wage and overtime pay requirements ''any employee employed as a seaman'' (52 Stat. 1050). In 1949 when several amendments were made to the Act (63 Stat. 910), this exemption was not changed except that it was renumbered section 13(a)(14). In the 1961 amendments (75 Stat. 65), a like exemption

was retained but it was limited to one employed as a seaman on a vessel other than an American vessel (section 13(a)(14)); an overtime exemption was provided for all employees employed as seamen (section 13(b)(6)), and those employed as seamen on an American vessel were brought within the minimum wage provisions (sec. 6(b)(2)).

§ 783.29 Adoption of the exemption in the original 1938 Act.

(a) The general pattern of the legislative history of the Act shows that Congress intended to exempt, as employees ''employed as'' seamen, only workers performing water transportation services. The original bill considered by the congressional committees contained no exemption for seamen or other transportation workers. At the joint hearings before the Senate and House Committees on Labor, representatives of the principal labor organizations representing seamen and other transportation workers testified orally and by writing that the peculiar needs of their industry and the fact that they were already under special governmental regulation made it unwise to bring them within the scope of the proposed legislation (see Joint Hearings before Senate Committee on Education and Labor and House Committee on Labor on S. 2475 and H.R. 7200, 75th Cong., 1st sess., pp. 545, 546, 547, 549, 1216, 1217). The committees evidently acquiesced in this view and amendments were accepted (81 Cong. Rec. 7875) and subsequently adopted in the law, exempting employees employed as seamen (sec. 13(a)(3)), certain employees of motor carriers (sec. 13(b)(1)), railroad employees (sec. 13(b)(2)), and employees of carriers by air (sec. 13(a)(4), now sec. 13(b)(3)).

(b) That the exemption was intended to exempt employees employed as ''seamen'' in the ordinary meaning of that word is evidenced by the fact that the chief proponents for the seamen's exemption were the Sailors Union of the Pacific and the National Maritime Union. The former wrote asking for an exemption for ''seamen'' for the reason that they were already under the jurisdiction of the Maritime Commission pursuant to the Merchant Marine Act of 1936 (Joint Hearings before the Committees on Labor on S. 2475 and H.R. 7200, 75th Cong., 1st sess., pp. 1216, 1217). The representative of the latter union also asked that ''seamen'' be exempted for the same reason saying * * * ''We feel that in a general interpretation of the whole bill that the way has been left open for the proposed Labor Standards Board to have jurisdiction over those classes of workers who are engaged in transportation. While this may not have an unfavorable effect upon the workers engaged in transportation by water, we feel that it may conflict with the laws now in effect regarding the jurisdiction of the government machinery now set up to handle these problems'' (id. at p. 545). And he went on to testify, ''What we would like is an interpretation of the bill which would provide a protective clause for the 'seamen' '' (id. at p. 547).

(c) Consonant with this legislative history, the courts in interpreting the phrase ''employee employed as a seaman'' for the purpose of the Act have given it its commonly accepted meaning, namely, one who is aboard a vessel necessarily and primarily in aid of its navigation (*Walling* v. *Bay State Dredging and Contracting Co.*, 149 F. 2d 346; *Walling* v. *Haden*, 153 F. 2d 196; *Sternberg Dredging Co.* v. *Walling*, 158 F. 2d 678). In arriving at this conclusion the courts recognized that the term ''seaman'' does not have a fixed and precise meaning but that its meaning is governed by the context in which it is used and the purpose of the statute in which it is found. In construing the Fair Labor Standards Act, as a remedial statute passed for the benefit of all workers engaged in commerce, unless exempted, the courts concluded that giving a liberal interpretation of the meaning of the term ''seaman'' as used in an exemptive provision of the Act would frustrate rather than accomplish the legislative purpose (*Helena Glendale Ferry Co.* v. *Walling*, 132 F. 2d 616; *Walling* v. *Bay State Dredging and Contracting Co.*, supra; *Sternberg Dredging Co.* v. *Walling*, supra; *Walling* v. *Haden*, supra).

§ 783.30 The 1961 Amendments.

One of the steps Congress took in the 1961 Amendments to extend the monetary provisions of the Act to more

workers was to limit the scope of the exemption which excluded all employees employed as seamen from application of the minimum wage and overtime provisions. This it did by extending the minimum wage provisions of the Act to one employed as a seaman on an American vessel (section 6(b)(2)), by adding to the language of section 13(a)(14) to make the exemption applicable only to a seaman employed on a vessel other than an American vessel, and finally by the addition of a new exemption, section 13(b)(6), relieving employers of overtime pay requirements with respect to those employees employed as seamen who do not come within the scope of the amended section 13(a)(14). (H. Rep. No. 75, 87th Cong., 1st sess., pp. 33, 36; Sen. Rep. No. 145, 87th Cong., 1st sess., pp. 32, 50; Statement of the Managers on the part of the House, H. (Cong.) Rep. No. 327, 87th Cong., 1st sess., p. 16.) In view of the retention in the 1961 amendments of the basic language of the original exemption, ''employee employed as a seaman'', the legislative history and prior judicial construction (see §783.29) of the scope and meaning of this phrase would seem controlling for purposes of the amended Act.

WHO IS ''EMPLOYED AS A SEAMAN''

§ 783.31 Criteria for employment "as a seaman."

In accordance with the legislative history and authoritative decisions as discussed in §§783.28 and 783.29, an employee will ordinarily be regarded as ''employed as a seaman'' if he performs, as master or subject to the authority, direction, and control of the master aboard a vessel, service which is rendered primarily as an aid in the operation of such vessel as a means of transportation, provided he performs no substantial amount of work of a different character. This is true with respect to vessels navigating inland waters as well as ocean-going and coastal vessels (*Sternberg Dredging Co.* v. *Walling*, 158 F. 2d 678; *Walling* v. *Haden*, 153 F. 2d 196, certiorari denied 328 U.S. 866; *Walling* v. *Great Lakes Dredge & Dock Co.*, 149 F. 2d 9, certiorari denied 327 U.S. 722; *Douglas* v. *Dixie Sand and Gravel Co.*, (E.D. Tenn.) 9 WH Cases 285). The Act's provisions with respect to seamen apply to a seaman only when he is ''employed as'' such (*Walling* v. *Haden*, supra); it appears also from the language of section 6(b)(2) and 13(a)(14) that they are not intended to apply to any employee who is not employed on a vessel.

§ 783.32 "Seaman" includes crew members.

The term ''seaman'' includes members of the crew such as sailors, engineers, radio operators, firemen, pursers, surgeons, cooks, and stewards if, as is the usual case, their service is of the type described in §783.31. In some cases it may not be of that type, in which event the special provisions relating to seamen will not be applicable (*Sternberg Dredging Co.* v. *Walling*, 158 F. 2d 678; *Cuascut* v. *Standard Dredging Co.*, 94 F. Supp. 197; *Woods Lumber Co.* v. *Tobin*, 199 F. 2d 455). However, an employee employed as a seaman does not lose his status as such simply because, as an incident to such employment, he performs some work not connected with operation of the vessel as a means of transportation, such as assisting in the loading or unloading of freight at the beginning or end of a voyage, if the amount of such work is not substantial.

§ 783.33 Employment "as a seaman" depends on the work actually performed.

Whether an employee is ''employed as a seaman'', within the meaning of the Act, depends upon the character of the work he actually performs and not on what it is called or the place where it is performed (*Walling* v. *Haden*, 153 F. 2d 196; *Cuascut* v. *Standard Dredging Corp.*, 94 F. Supp. 197). Merely because one works aboard a vessel (*Helena Glendale Ferry Co.* v. *Walling*, 132 F. 2d 616; *Walling* v. *Bay State Dredging & Contracting Co.*, 149 F. 2d 346), or may be articled as a seaman (see *Walling* v. *Haden*, supra), or performs some maritime duties (*Walling* v. *Bay State Dredging & Contracting Co.*, 149 F. 2d 346; *Anderson* v. *Manhattan Lighterage Corp.*, 148 F. 2d 971) one is not employed as a seaman within the meaning of the Act unless one's services are rendered primarily as an aid in the operation of the

vessel as a means of transportation, as for example services performed substantially as an aid to the vessel in navigation. For this reason it would appear that employees making repairs to vessels between navigation seasons would not be ''employed as'' seamen during such a period. (See *Desper* v. *Starved Rock Ferry Co.*, 342 U.S. 187; but see *Walling* v. *Keansburg Steamboat Co.*, 162 F. 2d 405 in which the seaman exemption was allowed in the case of an article employee provided he also worked in the ensuing navigation period but not in the case of unarticled employees who only worked during the lay-up period.) For the same and other reasons, stevedores and longshoremen are not employed as seamen. (*Knudson* v. *Lee & Simmons, Inc.*, 163 F. 2d 95.) Stevedores or roust-abouts traveling aboard a vessel from port to port whose principal duties require them to load and unload the vessel in port would not be employed as seamen even though during the voyage they may perform from time to time certain services of the same type as those rendered by other employees who would be regarded as seamen under the Act.

§ 783.34 Employees aboard vessels who are not "seamen".

Concessionaires and their employees aboard a vessel ordinarily do not perform their services subject to the authority, direction, and control of the master of the vessel, except incidentally, and their services are ordinarily not rendered primarily as an aid in the operation of the vessel as a means of transportation. As a rule, therefore, they are not employed as seamen for purposes of the Act. Also, other employees working aboard vessels, whose service is not rendered primarily as an aid to the operation of the vessel as a means of transportation are not employed as seamen (*Knudson* v. Lee & Simmons, Inc., 163 F. 2d 95; *Walling* v. *Haden*, 153 F. 2d 196, certiorari denied 32 U.S. 866). Thus, employees on floating equipment who are engaged in the construction of docks, levees, revetments or other structures, and employees engaged in dredging operations or in the digging or processing of sand, gravel, or other materials are not employed as seamen within the meaning of the Act but are engaged in performing essentially industrial or excavation work (*Sternberg Dredging Co.* v. *Walling*, 158 F. 2d 678; *Walling* v. *Haden*, supra; *Walling* v. *Bay State Dredging & Contracting Co.*, 149 F. 2d 346; *Walling* v. *Great Lakes Dredge & Dock Co.*, 149 F. 2d 9, certiorari denied 327 U.S. 722). Thus, ''captains'' and ''deck hands'' of launches whose dominant work was industrial activity performed as an integrated part of harbor dredging operations and not in furtherance of transportation have been held not to be employed as seamen within the meaning of the Act (*Cuascut* v. *Standard Dredging Corp.* 94 F. Supp. 197).

§ 783.35 Employees serving as "watchmen" aboard vessels in port.

Various situations are presented with respect to employees rendering watchman or similar service aboard a vessel in port. Members of the crew, who render such services during a temporary stay in port or during a brief lay-up for minor repairs, are still employed as ''seamen''. Where the vessel is laid up for a considerable period, members of the crew rendering watchman or similar services aboard the vessel during this period would not appear to be within the special provisions relating to seamen because their services are not rendered primarily as an aid in the operation of the vessel as a means of transportation. See *Desper* v. *Starved Rock Ferry Co.*, 342 U.S. 187. Furthermore, employees who are furnished by independent contractors to perform watchman or similar services aboard a vessel while in port would not be employed as seamen regardless of the period of time the vessel is in port, since such service is not of the type described in § 783.31. The same considerations would apply in the case of members of a temporary or skeleton crew hired merely to maintain the vessel while in port so that the regular crew may be granted shore leave. On the other hand, licensed relief officers engaged during relatively short stays in port whose duty it is to maintain the ship in safe and operational condition and who exercise the authority of the master in his absence, including keeping the log, checking the navigation equipment, assisting in the movement

of the vessel while in port, are employed as seamen within the meaning of the exemptions. The same may be true of licensed relief engineers employed under the same circumstances whose duty it is to maintain the ship's auxiliary machinery in operation and repair (see *Pratt* v. *Alaska Packers Asso.* (N.D. Calif.) 9 WH Cases 61).

§ 783.36 Barge tenders.

Barge tenders on non-selfpropelled barges who perform the normal duties of their occupation, such as attending to the lines and anchors, putting out running and mooring lights, pumping out bilge water, and other similar activities necessary and usual to the navigation of barges, are considered to be employed as ''seamen'' for the purposes of the Act unless they do a substantial amount of ''non-seaman's'' work (*Gale* v. *Union Bag & Paper Corp.*, 116 F. (2d) 27 (C.A. 5, 1940), cert. den. 313 U.S. 559 (1941)). However, there are employees who, while employed on vessels such as barges and lighters, are primarily or substantially engaged in performing duties such as loading and unloading or custodial service which do not constitute service performed primarily as an aid in the operation of these vessels as a means of transportation and consequently are not employed as ''seamen'' (*McCarthy* v. *Wright & Cobb Lighterage Co.*, 163 F. (2d) 92; *Anderson* v. *Manhattan Lighterage Corp.*, 148 F. (2d) 971, certiorari denied 326 U.S. 722; *Woods Lumber Co.* v. *Tobin*, 20 Labor Cases 66, 640 (W.D. Tenn, 1951), aff'd, 199 F. (2d) 455). Whether an employee is on board a vessel primarily to perform maritime services as a seaman or loading and unloading services typical of such shore-bases personnel as longshoremen is a question of fact and can be determined only after reviewing all the facts in the particular case.

§ 783.37 Enforcement policy for nonseaman's work.

In the enforcement of the Act, an employee will be regarded as ''employed as a seaman'' if his work as a whole meets the test stated in § 783.31, even though during the workweek he performs some work of a nature other than that which characterizes the service of a seaman, if such nonseaman's work is not substantial in amount. For enforcement purposes, the Administrator's position is that such differing work is ''substantial'' if it occupies more than 20 percent of the time worked by the employee during the workweek.

WHAT IS AN ''AMERICAN VESSEL''

§ 783.38 Statutory definition of "American vessel".

The provisions of section 6(b)(2) prescribe special methods for computing minimum wages and hours worked under the Act which are applicable only to seamen who are employed on American vessels. An ''American vessel'', which would appear to signify a vessel of the United States as distinguished from a foreign vessel, ''includes'', under the terms of the definition in section 3(p) of the Act, ''any vessel which is documented or numbered under the laws of the United States.'' The Department of the Treasury, Bureau of Customs and the United States Coast Guard, respectively, are responsible for documentation and numbering of vessels.

§ 783.39 "Vessel" includes all means of water transportation.

Since the Act does not define ''vessel'' it is appropriate to apply the difinition of ''vessel'' as set forth in the United States Code (1 U.S.C. 3). The Code defines ''vessel'' as including ''every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water''. But the Federal Boating Act of 1958, (under which the U.S. Coast Guard is responsible for numbering vessels) and the Documentation Regulations administered by the Bureau of Customs, utilize this basic definition, with the addition of specific exclusions for ''seaplanes'' and ''aircraft'' (46 U.S.C. 527; 19 CFR 3.1(a)).

§ 783.40 "Documented" vessel.

A vessel ''documented * * * under the laws of the United States'' is typically a vessel which has been registered, enrolled and licensed, or licensed by the Bureau of Customs under the laws of the United States (46 U.S.C. 11, 193, 251–

252, 258, 840). Although Bureau of Customs regulations provide for three types of documentations, distinctions between the categories of vessels subject to them are immaterial for the purposes of the Fair Labor Standards Act, since a vessel with any of the three kinds of documentation is an ''American vessel'' within the section 3(p) definition. Generally, any vessel of five net tons or more which is owned by a citizen of the United States is ''entitled to'' documentation. Complete information on the documentation requirements may be found in 19 CFR part 3.

§ 783.41 "Numbered" vessel.

A vessel ''numbered under the laws of the United States'' means a vessel numbered pursuant to the provisions of Federal law, including vessels numbered under any State numbering system approved by the Secretary of the Department under which the U.S. Coast Guard is operating, in accordance with section 2(c) of the Federal Boating Act of 1958 (46 U.S.C. 527–527h). Generally, any vessel, which is not required to have and does not have, a valid marine document issued by the Bureau of Customs and is propelled by machinery of more than 10 horsepower, whether or not such machinery is the principal source of propulsion, is required to be numbered in conformity with the Federal Boating Act of 1958 if it uses the navigable waters of the United States, its Territories, or the District of Columbia, or is owned in a State and uses the high seas (46 U.S.C. 527(a)). The requirements and procedures of this Act are explained in detail in 46 CFR part 170.

§ 783.42 Vessels neither "documented" nor "numbered".

An ''American vessel'' on which employment as a seaman is subject to the minimum wage under the provisions of section 6(b)(2) and section 13(a)(14) is not limited by the language of the Act to those vessels which are ''documented'' or ''numbered'' as described above in §§ 783.40 and 783.41. Since the term ''American vessel'' has traditionally been applied to regularly documented vessels (see *U.S.* v. *Rogers*, 27 Fed. Cas. 890; *Badger* v. *Entierrez*, 111 U.S. 734; 18 Op. A.G. 234 (1885); 48 Am. Jur. 40), the inclusion of numbered vessels in the statutory definition of ''American vessel'' would indicate that the work ''includes'' is used in the sense of ''embracing'', as an enlargement and not as a word of limitation. The term may therefore apply to other vessels that do not fall within the illustrations given. For example, neither the documenting laws nor the numbering laws apply to vessels plying the purely internal waters of a State which do not join up with navigable waters touching on another State (19 CFR 3.5(a)(4); 33 CFR 2.10–5), but, nevertheless, the Fair Labor Standards Act does apply in those areas and it clearly would not comport with the remedial purpose of the Act to exclude from its minimum wage provisions seamen engaged in commerce or in the production of goods for commerce in those areas though the vessels are not documented or numbered. On the contrary, the legislative history shows the affirmative purpose to improve, though to a limited extent, the status of seamen (Sen. Rep. No. 145, 87th Cong., 1st sess., p. 32, 50).

Computation of Wages and Hours

§ 783.43 Computation of seaman's minimum wage.

Section 6(b) requires, under paragraph (2) of the subsection, that an employee employed as a seaman on an American vessel be paid wages at not less than the rate which will provide to the employee, for the period covered by the wage payment, wages which are equal to compensation for all hours on duty in such period at the hourly rate prescribed for employees newly covered by the Act's minimum wage requirements by reason of the 1961 Amendments (see §§ 783.23 and 783.26). Although the Act takes the workweek as the unit of time to be used in determining compliance with the minimum wage of overtime requirements and in applying the exemptions, Congress, in recognition of the unique working conditions of seamen and of the customs in the industry, made this special provision. Under section 6(b)(2) periods other than a workweek may be used, in accordance with established customs in

the industry, as the basis for calculating wages for covered seamen provided the wages equal the compensation at the applicable minimum hourly rate which would be due to the employee for his hours actually spent on duty in the period. This would mean that the wage period may properly cover, for example, the period of a month or of a voyage so long as the seaman receives at the appropriate time compensation at least equal to the prescribed minimum rate for each compensable hour in that pay period. (See also §531.26 of this chapter concerning requirements of other laws governing calculation of wages and frequency and manner of payment.) To illustrate, where seamen have customarily been paid monthly under an arrangement to perform seamen's duties during stipulated periods and to be off duty during stipulated periods during the month, if such a seaman works 300 hours during the month and receives his monthly compensation in an amount equal to a payment for that number of hours at the applicable minimum rate, there would be compliance with the requirements of section 6(b)(2). The fact that this seaman works a varying number of hours during the weeks comprising the monthly period or that the monthly compensation is disbursed in two or four partial payments to the seaman during the month would not warrant a contrary conclusion.

§ 783.44 Board and lodging as wages.

The wages for the period covered by the wage payment include all remuneration for employment paid to or on behalf of the employee for all hours actually on duty intended to be compensated by such wage payment. The reasonable cost or fair value, as determined by the Secretary of Labor pursuant to section 3(m) of the Act, of board and lodging furnished the employee during such period, if customarily furnished by the employer to his employees, is also included as part of the wages for the actual hours worked in the period (see §783.16). However, the cost of board and lodging would not be included as part of the wages paid to the employee to the extent it is excluded from the employee's wages under terms of a bona fide collective bargaining agreement applicable to such employee, whether or not customarily furnished to the employee. Where such an exclusion is not provided for in any bona fide collective bargaining agreement applicable to the employee, the reasonable cost or fair value thereof, whichever is appropriate, as determined in accordance with the standards set forth in the regulations in part 531 of this chapter, is included as part of the wage paid to such employee. Part 531 of this chapter also contains the official regulations and interpretations of the Department of Labor concerning the application of section 3(m) to other facilities as well as board and lodging furnished to an employee.

§ 783.45 Deductions from wages.

Where deductions are made from the wages of a seaman subject to section 6(b) of the Act, consideration must be given as to whether or not such deductions are permitted to be made when they result in the seaman receiving cash wages which are less than the applicable minimum wage rate for each hour actually on duty during the period covered by the wage payments. Such considerations are to be based upon the principles and interpretations governing such deductions. These are set forth and discussed in part 531 of this chapter. The methods of paying the compensation required by section 6 and the application thereto of the provisions of section 3(m) of the Act, which are set forth and explained in the said part 531, are applicable to seamen subject to the minimum wage provisions of the Act.

§ 783.46 Hours worked.

The provisions of section 6(b)(2) of the Act require that a seaman employed on an American vessel be paid wages equal to compensation at not less than the prescribed minimum wage rate for all of the hours the employee ''was actually on duty (including periods aboard ship when the employee was on watch or was, at the direction of a superior officer, performing work or standing by, but not including off-duty periods which are provided pursuant to the employment agreement)''. The Act

in this portion of section 6(b)(2) is reflecting concepts that are well established in the law, and existing precedents (in such cases as *Armour & Co.* v. *Wantock*, 323 U.S. 126; *Skidmore* v. *Swift & Co.*, 323 U.S. 134; *Steiner* v. *Mitchell*, 350 U.S. 247; *Mitchell* v. *King Packing Co.*, 350 U.S. 260; *Tennessee Coal, Iron & R. Co.* v. *Muscoda Local N. 123*, 321 U.S. 590; and *General Electric Co.* v. *Porter*, 208 F. 2d 805, certiorari denied, 347 U.S. 951, 975) would be applicable in determining what time constitutes hours worked. See also the general discussion of hours worked in part 785 of this chapter.

§ 783.47 Off-duty periods.

Off-duty periods include not only such periods as shore leave but also generally those hours spent by a seaman on the vessel outside his watch or normal or regular working hours and his standby periods during which hours he is not required to perform and does not perform work of any kind but is free to utilize his time for his own purpose. The fact that during such off-duty periods the employee is subject to call in case of emergency situations affecting the safety and welfare of the vessel upon which he is employed, or of its passengers, crew, or cargo or for participation in life boat or fire drills will not render such off-duty periods, excluded by employment agreement applicable to the employee, ''hours worked''. Responding to such calls, however, as well as the performance of work in response thereto constitute compensable work time. For further and more detailed discussion on what generally are regarded as ''hours worked'' under the Act, see part 785 of this chapter.

APPLICATION OF THE EXEMPTIONS

§ 783.48 Factors determining application of exemptions.

The application of the exemptions provided by section 13(a)(14) and section 13(b)(6) of the Act is determined in accordance with their language and scope as explained in §§ 783.24, 783.25, and 783.27, with regard to the principles set forth in § 783.20 and the legislative history and judicial construction outlined in §§ 783.28 through 783.30. Whether a particular employee is exempt depends on what he does, as explained in §§ 783.31 through 783.37. Whether he is exempt from the overtime pay provisions only or from minimum wages as well depends on whether his employment is or is not on an American vessel, which is determined as indicated in §§ 783.38 through 783.42. In addition, sections 13(a)(14) and 13(b)(6), like other exemptions in the Act, apply on a workweek basis as mentioned in § 783.43 and explained in §§ 783.49 and 783.50.

§ 783.49 Workweek unit in applying the exemptions.

The unit of time to be used in determining the application of the exemption provided by section 13(b)(6) or 13(a)(14) to an employee is the workweek. (See *Overnight Transportation Co.* v. *Missel*, 316 U.S. 572; *Sternberg Dredging Co.* v. *Walling*, 158 F. 2d 678.) This is the period used in determining whether a substantial amount of non-seaman's work has been performed so as to make the exemption inapplicable. See § 783.37. A workweek is a fixed and regularly recurring interval of 7 consecutive 24-hour periods. It may begin at any hour of any day set by the employer and need not coincide with the calendar week. Once the workweek has been set it commences each succeeding week on the same day and at the same hour. Changing of the workweek for the purpose of escaping the requirements of the Act is not permitted.

§ 783.50 Work exempt under another section of the Act.

Where an employee performs work during his workweek, some of which is exempt under one section of the Act, and the remainder of which is exempt under another section or sections of the Act, the exemptions may be combined. The employee's combination exemption is controlled in such case by that exemption which is narrower in scope. For example, if part of his work is exempt from both minimum wage and overtime compensation under one section of the Act, and the rest is exempt only from the overtime pay requirements under section 13(b)(6), the employee is exempt that week from the overtime pay provisions but not from the minimum wage requirements.

§ 783.51 Seamen on a fishing vessel.

In extending the minimum wage to seamen on American vessels by limiting the exemption from minimum wages and overtime provided by section 13(a)(14) of the Act to ''any employee employed as a seaman on a vessel other than an American vessel,'' and at the same time extending the minimum wage to ''onshore'' but not ''offshore'' operations concerned with aquatic products, the Congress, in the 1961 Amendments to the Act, did not indicate any intent to remove the crews of fishing vessels engaged in operations named in section 13(a)(5) from the exemption provided by that section. The exemption provided by section 13(a)(14), and the general exemption in section 13(b)(6) from overtime for ''any employee employed as a seaman'' (whether or not on an American vessel) apply, in general, to employees, working aboard vessels, whose services are rendered primarily as an aid to navigation (§§ 783.31–783.37). It appears, however, that it is not the custom or practice in the fishing industry for a fishing vessel to have two crews; namely, a fishing crew whose duty it is primarily to fish and to perform other duties incidental thereto and a navigational crew whose duty it is primarily to operate the boat. Where, as is the typical situation, there is but one crew which performs all these functions, the section 13(a)(5) exemption from both the minimum wage and the overtime provisions would apply to its members. For a further explanation of the fishery exemption see part 784 of this chapter.

PART 784—PROVISIONS OF THE FAIR LABOR STANDARDS ACT APPLICABLE TO FISHING AND OPERATIONS ON AQUATIC PRODUCTS

Subpart A—General

INTRODUCTORY

Sec.

SOME BASIC DEFINITIONS

APPLICATION OF COVERAGE AND EXEMPTIONS PROVISIONS OF THE ACT

Subpart B—Exemptions Provisions Relating to Fishing and Aquatic Products

THE STATUTORY PROVISIONS

LEGISLATIVE HISTORY OF EXEMPTIONS

PRINCIPLES APPLICABLE TO THE TWO EXEMPTIONS